

EXECUTIVE SUMMARY

BUDGET MESSAGE

Not great. Good would be a stretch. But, after last year, definitely better. We're beginning to see signs of economic recovery, albeit ever so slowly. General property taxes are coming in 2% to 3% above projections in FY 2011 and the trend is expected to continue in FY 2012. While not yet returning to 2008 levels, local sales tax revenue grew by almost 5% in FY 2010 and the trend remains positive thus far in FY 2011.

Spending remains down - almost \$4.7 million less than budgeted in FY 2010. Overall, this year's draft budget is \$215,709 less than last year. But that can be a bit deceiving.

State and federal revenues will continue to shrink, although not at the same alarming pace as the previous two fiscal years. Over the last three fiscal years, state and federal funding has dropped by more than 15.6%, or \$4.58 million.

This draft budget incorporates the planned 3¢ increase on the real property tax rate to cover the scheduled \$400,000 increase in annual debt service. Other than that, additional increases are not proposed.

On the expenditure side, a 2% cost of living adjustment is incorporated for full-time employees, including Schools and Social Services, effective in November 2011. The cost in FY 2012 is \$335,605. It further incorporates \$186,000 for Courthouse security enhancements as requested by Sheriff Francis - roughly 60% of that is a non-recurring expense for equipment and the balance will fund two part-time security positions to control and monitor the security checkpoint. It also includes funding for a second full-time Animal Control Officer.

Finally, full funding is included for Southampton County schools.

Southampton County Total Budget

Draft FY 2012	\$52,200,949
Adopted FY 2011	- <u>\$52,416,658</u>
Change	<u>\$ (215,709)</u>

Key Points:

- State and federal revenues will decrease by another \$551,838 in FY 2012;
- Annual debt service will increase by \$400,694 - a 3¢ increase in the real estate tax rate is incorporated, as planned;
- Includes a 2% cost of living increase for all full time employees (including Schools and Social Services) effective in November;
- Includes full funding to Southampton County Schools;
- Incorporates funding for costs associated with the *Line of Duty Act* and OPEB (unfunded mandates);
- Includes \$108,000 for purchase of Courthouse security equipment and another \$78,000 for part-time personnel to monitor the security checkpoint;
- Provides 5% increases to Volunteer Fire Departments and Rescue Squads and an additional \$4,000 each to Sedley and Newsoms for First Responder EMS;
- Includes funding for a second full-time Animal Control Officer;
- Reclassifies and reassigns Mrs. Wright to the Data Processing department to assist with an ever-growing IT work load - also provides for replacement and maintenance of key IT equipment.

SOUTHAMPTON COUNTY, VIRGINIA
DRAFT BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2012

Introduction

REVENUE ESTIMATES

	2010-2011	2011-2012	%▲		2010-2011	2011-2012	%▲
COUNTY SOURCES				BUILDING FUND			
General Property Taxes	\$ 17,324,205	\$ 18,435,314	6.41	Utility Taxes	464,000	490,000	5.60
Other Local Taxes	1,552,849	1,594,349	2.67	Carryover - Utility Reserve	1,340,823	970,031	(27.65)
Permits, Fees, Licenses	112,690	106,050	(5.78)	Rental of Property	60,556	60,556	0.00
Fines & Forfeitures	560,238	589,000	5.13	Meal Taxes/Refunds	154,920	124,920	(19.36)
Use of Money & Property	45,000	35,000	(22.22)	TOTAL BUILDING FUND	2,020,299	1,645,507	(18.55)
Charges for Service	413,526	396,864	(4.08)	REVENUE FROM COMMONWEALTH			
Miscellaneous Revenue	751,612	752,055	0.06	Non-Categorical Aid	185,000	190,000	2.70
TOTAL COUNTY SOURCES	20,760,120	21,907,432	5.53	Categorical Aid	3,456,946	3,460,396	0.10
OTHER COUNTY SOURCES				Other Categorical Aid	462,864	467,554	1.01
Transfer-In/General Fund Reserve	867,861	1,404,394	61.82	School Aid (School Operating)	14,263,175	13,435,907	(5.80)
Transfer-In/Inmate Enterprise	145,380	160,000	10.05	School Aid (School Food)	14,000	21,000	50.00
School Funds (School Food)	523,000	401,600	(23.21)	School Aid (Sales Tax)	2,416,685	2,603,739	7.74
School Funds (School Operating)	2,000	2,000	0.00	Public Assistance	2,153,576	2,125,253	(1.32)
TOTAL OTHER COUNTY SOURCES	1,538,241	1,967,994	27.94	TOTAL STATE REVENUE	22,952,246	22,303,849	(2.82)
ENTERPRISE REVENUE				REVENUE FROM FEDERAL SOURCES			
Water Service Fees	326,700	305,000	(6.64)	School Aid (School Operating)	11,500	11,500	0.00
Sewer Service Fees	795,000	774,000	(2.64)	School Aid (Federal Programs)	1,759,849	1,762,408	0.15
Other Fees/Connections	49,815	49,815	0.00	School Aid (School Food)	556,000	650,000	16.91
Capitalized Interest	1,645,888	823,444	(50.00)	TOTAL FEDERAL REVENUE	2,327,349	2,423,908	4.15
TOTAL ENTERPRISE REVENUE	2,816,403	1,952,259	(30.73)	TOTAL REVENUE - ALL SOURCES	\$ 52,416,658	\$ 52,200,949	(0.41)

EXPENDITURE ESTIMATES

	2010-2011	2011-2012	%▲		2010-2011	2011-2012	%▲
GENERAL FUND				ENTERPRISE FUND			
General Government Administration				Enterprise/Sewer	2,746,777	2,840,840	3.42
Board of Supervisors	\$ 205,636	\$ 188,732	(8.22)	Enterprise/Water	739,102	713,028	(3.53)
County Administration	308,486	307,871	(0.20)		3,485,879	3,553,868	1.95
Commissioner of the Revenue	259,968	286,717	10.29	BUILDING FUND			
Board of Assessors	180,000	211,212	17.34	Capital Projects/Debt Service	2,585,763	2,210,971	(14.49)
Treasurer	271,389	274,817	1.26		2,585,763	2,210,971	(14.49)
Delinquent Tax Collection	5,000	5,000	0.00	SCHOOL FUND			
Accounting	220,007	211,721	(3.77)	Instruction	15,994,521	15,950,784	(0.27)
Data Processing	208,081	312,012	49.95	Administration, Attendance & Health	1,127,693	1,220,657	8.24
Insurance/County Code	177,820	227,800	28.11	Management & Direction - Transportation	2,769,046	2,818,191	1.77
Registrar	146,515	174,462	19.07	Operation and Maintenance Services	3,384,271	3,392,690	0.25
	1,982,902	2,200,344	10.97	School Food Service and Non Operating	133,888	129,818	(3.04)
Judicial Administration				Facilities	154,026	154,026	0.00
Circuit Court	64,771	34,890	(46.13)	Debt Service	2,889,828	2,524,381	(12.65)
Combined District Court	22,188	22,839	3.04	Technology/School Operating	401,967	409,236	1.81
Special Magistrates	658	908	37.99	Rental Textbooks	104,509	78,175	(25.20)
Clerk of Circuit Court	467,645	472,498	1.04	Technology	206,000	206,000	0.00
Sheriff - Bailiff	378,184	388,181	2.64	At-Risk 4 Year Olds	200,333	200,333	0.00
Courthouse Security	70,154	239,975	242.07	Early Reading Intervention	51,804	45,328	(12.50)
Commonwealth's Attorney	481,781	497,105	3.18	Federal School Funds			
Victim Witness Assistance Program	69,211	70,091	1.27	Title I	578,416	658,276	13.81
	1,554,580	1,726,487	11.06	Title VIB Flow-Through	605,504	604,750	(0.12)
Public Safety				Vocation Special Education	48,597	53,052	9.17
Sheriff - Law Enforcement	1,642,095	1,647,790	0.35	Pre-School Incentive	12,898	12,897	(0.01)
Enhanced 911	162,433	163,880	0.89	Title IIA Training and Recruitment	150,436	153,574	2.09
Wireless 911	45,256	46,022	1.69	Title IID Ed. Tech.	5,998	4,859	(18.99)
School Resource Officer	49,656	50,528	1.76	21st Century Community Learning	175,000	175,000	0.00
Volunteer Fire Departments	281,790	301,647	7.05	Opportunity, Inc.	183,000	100,000	(45.36)
Volunteer Rescue Squads	914,799	929,278	1.58	Total School Funds	29,177,735	28,892,027	(0.98)
State Forestry Service	23,367	21,730	(7.01)	SCHOOL FOOD			
Sheriff - Detention	2,565,629	2,657,239	3.57	School Food	1,093,000	1,072,600	(1.87)
Probation	104,472	102,701	(1.70)		1,093,000	1,072,600	(1.87)
Inspections	122,253	131,379	7.46	VIRGINIA PUBLIC ASSISTANCE FUND			
Animal Control	99,888	141,519	41.54	Eligibility Administration	968,540	1,004,788	3.74
Medical Examiner	500	500	0.00	Service Administration	697,750	714,376	2.38
Emergency Services	113,033	113,073	0.04	Benefit Programs	806,550	727,342	(9.82)
	6,125,271	6,307,286	2.97		2,472,840	2,446,506	(1.06)
Public Works				TOTAL EXPENDITURES - ALL FUNDS	\$ 52,416,658	\$ 52,200,949	(0.41)
Streetslights	45,987	45,987	0.00				
Assign-A-Highway	52,320	54,379	3.94				
Refuse Collection	677,074	715,488	5.67				
Refuse Disposal	1,424,772	1,274,300	(10.56)				
Buildings & Grounds	469,494	488,037	3.95				
	2,669,647	2,578,191	(3.43)				
Health & Welfare							
Health Department	304,000	304,000	0.00				
WTCSB	68,944	68,944	0.00				
Senior Services	13,000	13,000	0.00				
Comprehensive Services Act	117,159	180,147	53.76				
STOP Organization	1,540	1,540	0.00				
	504,643	567,631	12.48				
Parks, Recreation & Cultural							
Community Concert Association	5,500	5,400	(1.82)				
Rawls Museum Arts	13,757	14,000	1.54				
Historical Society	24,750	24,750	0.00				
W.C. Rawls Library	252,897	228,686	(9.57)				
	296,904	272,836	(8.12)				
Community Development							
Planning	281,388	202,319	(28.10)				
Economic Development	100,000	100,000	0.00				
Soil & Water Conservation	9,911	9,768	(1.44)				
Cooperative Extension	42,165	41,015	(2.73)				
	433,464	353,102	(18.54)				
Non-Departmental							
Non-Departmental Operating	34,000	19,100	(43.82)				
	34,000	19,100	(43.82)				
TOTAL GENERAL FUND EXPENDITURES	\$ 13,601,441	\$ 14,024,977	3.11				

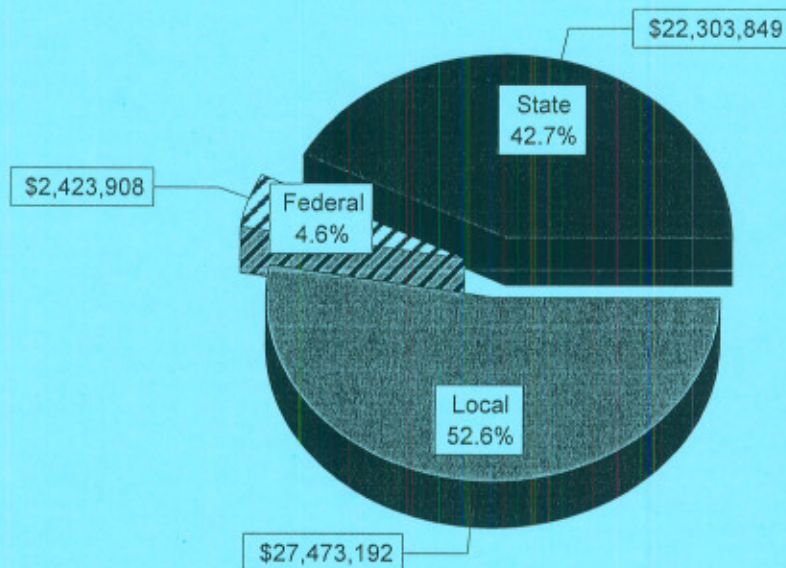
<u>PROPOSED REVENUES</u>				
<u>REVENUE SOURCE</u>	<u>FY 2011</u>	<u>DRAFT FY 2012</u>	<u>INCREASE (DECREASE)</u>	<u>PERCENT CHANGE</u>
General property taxes	\$17,324,205	\$18,435,314	\$1,111,109	6.41%
Other local taxes	1,552,849	1,594,349	41,500	2.67%
Permits, fees, licenses	112,690	105,050	(7,640)	(6.78)%
Fines & forfeitures	560,238	589,000	28,762	5.13%
Interest	45,000	35,000	(10,000)	(22.22)%
Charges for services	413,526	396,664	(16,862)	(4.08)%
Miscellaneous revenue	751,612	752,055	443	0.06%
Transfer - General Fund Reserve	867,861	1,404,394	536,533	61.82%
Other County Sources	670,380	563,600	(106,780)	(15.93)%
Enterprise Fund	2,818,403	1,952,259	(866,144)	(30.73)%
Building Fund	2,020,299	1,645,507	(374,792)	(18.55)%
Revenue from the Commonwealth	22,952,246	22,303,849	(648,397)	(2.83)%
Revenue from Federal Sources	2,327,349	2,423,908	96,559	4.15%
TOTAL	<u>\$52,416,658</u>	<u>\$52,200,949</u>	<u>(\$215,709)</u>	<u>(0.41)%</u>

<u>PROPOSED EXPENDITURES</u>				
<u>EXPENDITURE SOURCE</u>	<u>FY 2011</u>	<u>DRAFT FY 2012</u>	<u>INCREASE (DECREASE)</u>	<u>PERCENT CHANGE</u>
General & Financial Administration	\$1,982,902	\$2,200,344	\$217,442	10.97%
Judicial Administration	1,554,580	1,726,487	171,907	11.06%
Public Safety	6,125,271	6,307,286	182,015	2.97%
Public Works	2,669,647	2,578,191	(91,456)	(3.43)%
Health and Welfare	504,643	567,631	62,988	12.48%
Parks, Recreation, Culture	296,934	272,836	(24,098)	(8.12)%
Community Development	433,464	353,102	(80,362)	(18.54)%
Non-Departmental	34,000	19,100	(14,900)	(43.82)%
School Fund	29,177,735	28,892,027	(285,708)	(0.98)%
School Food	1,093,000	1,072,600	(20,400)	(1.87)%
Public Assistance Fund	2,472,840	2,446,506	(26,334)	(1.06)%
Building Fund	2,585,763	2,210,971	(374,792)	(14.49)%
Enterprise Fund	3,485,879	3,553,868	67,989	1.95%
TOTAL	<u>\$52,416,658</u>	<u>\$52,200,949</u>	<u>(\$215,709)</u>	<u>(0.41)%</u>

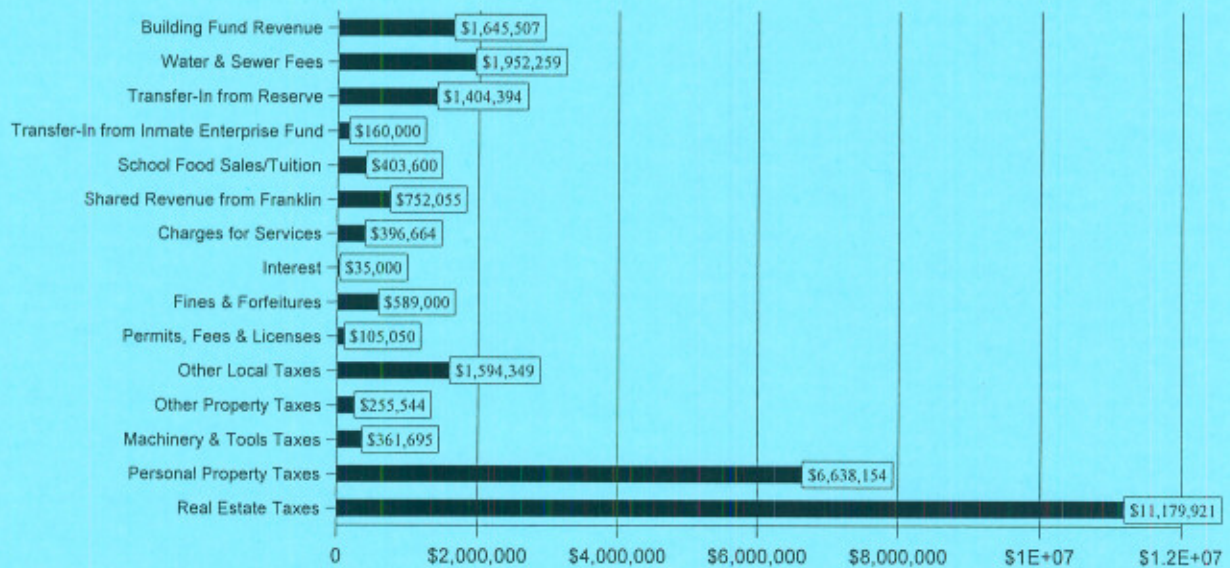
GENERAL FUND SUMMARY OF CHANGES

	2010-2011	2011-2012	Change	%
General Government Administration				
Board of Supervisors	\$ 205,636	\$ 188,732	\$ (16,904)	(8.22)
County Administration	308,486	307,871	(615)	(0.20)
Commissioner of the Revenue	259,968	286,717	26,749	10.29
Board of Assessors	180,000	211,212	31,212	17.34
Treasurer	271,389	274,817	3,428	1.26
Delinquent Tax Collection	5,000	5,000	-	-
Accounting	220,007	211,721	(8,286)	(3.77)
Data Processing	208,081	312,012	103,931	49.95
Insurance/County Code	177,820	227,800	49,980	28.11
Registrar	146,515	174,462	27,947	19.07
	<u>1,982,902</u>	<u>2,200,344</u>	<u>217,442</u>	<u>10.97</u>
Judicial Administration				
Circuit Court	64,771	34,890	(29,881)	(46.13)
Combined District Court	22,166	22,839	673	3.04
Special Magistrates	658	908	250	37.99
Clerk of Circuit Court	467,645	472,498	4,853	1.04
Sheriff - Bailiff	378,194	388,181	9,987	2.64
Courthouse Security	70,154	239,975	169,821	242.07
Commonwealth's Attorney	481,781	497,105	15,324	3.18
Victim Witness Assistance Program	69,211	70,091	880	1.27
	<u>1,554,580</u>	<u>1,726,487</u>	<u>171,907</u>	<u>11.06</u>
Public Safety				
Sheriff - Law Enforcement	1,642,095	1,647,790	5,695	0.35
Enhanced 911	162,433	163,880	1,447	0.89
Wireless 911	45,256	46,022	766	1.69
School Resource Officer	49,656	50,528	872	1.76
Volunteer Fire Departments	281,790	301,647	19,857	7.05
Volunteer Rescue Squads	914,799	929,278	14,479	1.58
State Forestry Service	23,367	21,730	(1,637)	(7.01)
Sheriff - Detention	2,565,629	2,657,239	91,610	3.57
Probation	104,472	102,701	(1,771)	(1.70)
Inspections	122,253	131,379	9,126	7.46
Animal Control	99,988	141,519	41,531	41.54
Medical Examiner	500	500	-	-
Emergency Services	113,033	113,073	40	0.04
	<u>6,125,271</u>	<u>6,307,286</u>	<u>182,015</u>	<u>2.97</u>
Public Works				
Streetlights	45,987	45,987	-	-
Assign-A-Highway	52,320	54,379	2,059	3.94
Refuse Collection	677,074	715,488	38,414	5.67
Refuse Disposal	1,424,772	1,274,300	(150,472)	(10.56)
Buildings & Grounds	469,494	488,037	18,543	3.95
	<u>2,669,647</u>	<u>2,578,191</u>	<u>(91,456)</u>	<u>(3.43)</u>
Health & Welfare				
Health Department	304,000	304,000	-	-
WTCSB	68,944	68,944	-	-
Senior Services	13,000	13,000	-	-
Comprehensive Services Act	117,159	180,147	62,988	53.76
STOP Organization	1,540	1,540	-	-
	<u>504,643</u>	<u>567,631</u>	<u>62,988</u>	<u>12.48</u>
Parks, Recreation & Cultural				
Community Concert Association	5,500	5,400	(100)	(1.82)
Rawls Museum Arts	13,787	14,000	213	1.54
Historical Society	24,750	24,750	-	-
W.C. Rawls Library	252,897	228,686	(24,211)	(9.57)
	<u>296,934</u>	<u>272,836</u>	<u>(24,098)</u>	<u>(8.12)</u>
Community Development				
Planning	281,388	202,319	(79,069)	(28.10)
Economic Development	100,000	100,000	-	-
Soil & Water Conservation	9,911	9,768	(143)	(1.44)
Cooperative Extension	42,165	41,015	(1,150)	(2.73)
	<u>433,464</u>	<u>353,102</u>	<u>(80,362)</u>	<u>(18.54)</u>
Non-Departmental				
Non-Departmental Operating	34,000	19,100	(14,900)	(43.82)
	<u>34,000</u>	<u>19,100</u>	<u>(14,900)</u>	<u>(43.82)</u>
TOTAL GENERAL FUND EXPENDITURES	\$ 13,601,441	\$ 14,024,977	\$ 423,536	3.11

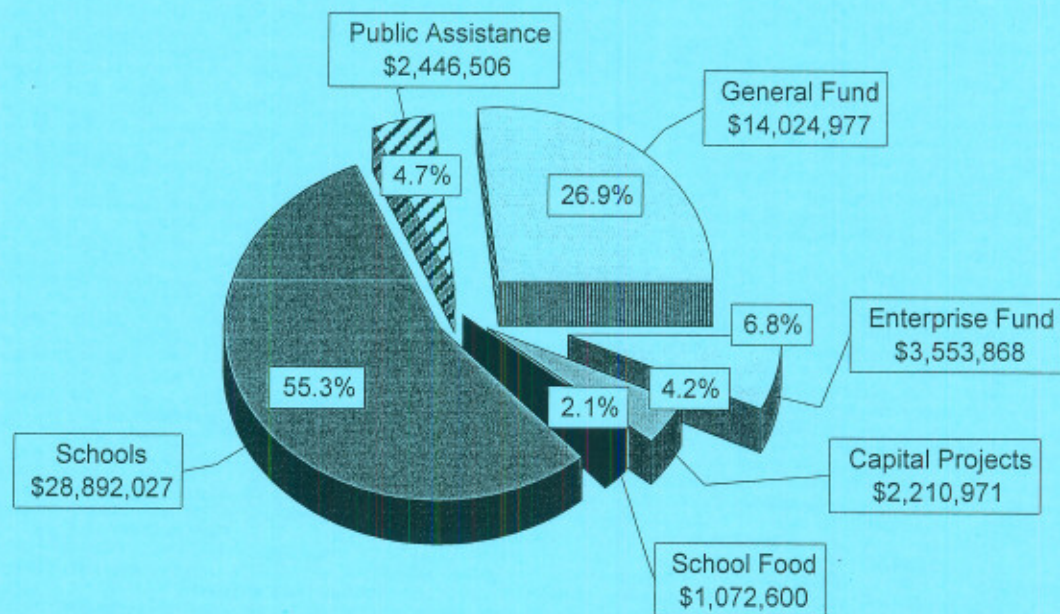
Projected FY 2012 Revenues



Local Funding Breakdown



Projected FY 2012 Expenditures



General Fund Breakdown

